January 8, 2004

Mr. Barry S. Drucker Contracting Officer's Technical Representative U.S. Department of the Interior - Mineral Management Service Leasing Division / Sand and Gravel Unit 381 Elden Street, Mail Stop 4010 Herndon, Virginia 20170-4817 W. F. Baird & Associates Ltd. 2981 Yarmouth Greenway Madison, Wisconsin 53711 USA Telephone 608-273-0592 Fax 608-273-2010

Baird

Re: MMS Contract 0103CT71516, Review of Existing & Emerging Environmentally Friendly Offshore Dredging Technologies

Dear Mr. Drucker:

This letter is our bimonthly progress report on the project: Review of Existing & Emerging Environmentally Friendly Offshore Dredging Technologies.

Our activities to date, have concentrated on Item 1. Identification, Review, and Analysis of Environmentally-Friendly Technologies (Task 1). Marine Ecological Surveys (MES) has completed a "Review of Impacts of Marine Aggregate Dredging". This report is extensive (75 pages) and has been distributed and reviewed by the partners. MES has responded to questions relating to their report. Research Planning, Inc. (RPI) has completed their initial review with key stakeholders and experts concerning environmental issues associated with offshore dredging. This information is a prerequisite to developing a questionnaire to be distributed to Dredging Contractors and related industries, such as dredge-building shipyards. RPI also has had several conversations with Eric Hawk of NMFS, who provided a copy of the Regional Biological Opinion that was recently completed and sent to the Corps of Engineers. This is NMFS' review of the regular-maintenance hopper dredging of navigation channels, and the offshore sand mining for beach restoration/nourishment activities, in the U. S. Gulf of Mexico and its effects on Sea Turtles and Sturgeon. There is considerable useful information in this report. Baird and Dredge Research Ltd. (DRL) have been performing a literature search. We have also assembled a draft of questions to be submitted to Dredging Contractors worldwide. The questions are being edited in order to obtain the most useful information from Contractors in different locals working under different regulations.

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DRL has continued their contact with MIRO relative to their endorsement of the questionnaire. MIRO is still extremely interested in issuing this questionnaire under their letterhead.

DRL has also been in contact with Cefas, relative to their participation in the workshop to be held in London, April 1 and 2. The location of the workshop is still in the planning stages. It is anticipated it will be held outside London.

There have not been major technical findings since we are still collecting data, nor have there been any significant problems. We will be contacting MMS when the location of the workshop has been selected to assure that the location is acceptable to MMS. Logistics for the meeting will be discussed at that time.

Progress, to be expected during the next two months, includes issuance of the questionnaire to the Dredge Contractors and review of the responses. Those responses will dictate the strategy for follow-up with the Contractors, which may include visits to their facilities.

The project is progressing well.

Sincerely,

W.F. Baird & Associates Ltd.

Rob Nairn Principal

Cc:

James Kendall Anna M. Brown Nick Bray

Jacqui Michel Richard Newell Chief, Branch of Environmental Studies

Contract Administrator
Dredge Research Ltd
Research Planning, Inc.
Marine Ecological Surveys

File No. 10687